



COUNCIL AGENDA: 06-29-04  
ITEM:

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Jim McBride  
Larry Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** June 9, 2004

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Approved

Date

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**COUNCIL DISTRICT:** City-wide

**SUBJECT: GRANT AGREEMENT WITH THE TECH MUSEUM OF  
INNOVATION FOR THE MCCABE HALL HVAC PROJECT**

## **RECOMMENDATION**

1. Adoption of a resolution authorizing the City Manager to negotiate and execute a Grant Agreement with the Tech Museum of Innovation in a total amount not to exceed \$300,000 for the purpose of replacing the heating, ventilation and air conditioning (HVAC) system for McCabe Hall.
2. Adoption of the following Appropriation Ordinance and Funding Sources Resolution amendments:
  - a) Establish an appropriation to the Convention, Arts and Entertainment Department for the Tech Museum of Innovation HVAC system project in the Redevelopment Capital Projects Fund (City-side Redevelopment Fund) in the amount of \$300,000.
  - b) Increase the estimate for Earned Revenue in the Redevelopment Capital Projects Fund (City-side Redevelopment Fund) by \$300,000.
  - c) Establish a General Fund Transfer to the Redevelopment Capital Projects Fund for the Tech Museum of Innovation HVAC system project in the amount of \$150,000.
  - d) Decrease the Contingency Reserve in the General Fund by \$150,000.

## **BACKGROUND**

The Tech Museum of Innovation maintains office space in McCabe Hall. The heating, ventilation, and air conditioning (HVAC) system is at the end of its functional life and needs to be replaced. For the past several budget years the Tech has requested funding to be included in the Agency's Capital Budget to assist in the replacement of the failing system. Due to ongoing budget reductions in that same time, the budgeted funds were deferred, primarily because no contract for the work or an agreement with either the Museum or the City had been executed.

## **ANALYSIS**

City and Redevelopment Agency staffs have worked with the Tech Museum for several years to replace the HVAC system. The failing HVAC system in McCabe Hall is approximately forty years old. Ongoing efforts to repair the system, while necessary to keep the Tech staff in the building, only serve to delay the needed replacement. The Tech Museum has requested funding in previous years from the Redevelopment Agency to assist in the replacement of this capital need. The cost to replace the system is approximately \$300,000.

The funding budgeted for this project was eliminated in the Rebalancing Plan budget adopted last fall because none of the agreements or contracts were in place. As the systems continued to fail during the succeeding months, the Museum once again approached the City and Redevelopment Agency. An agreement has been reached between the City and the Redevelopment Agency to split the cost of this necessary improvement. The Agency transferred its \$150,000 share to the City on May 25, 2004, with the understanding that the City would then enter into an agreement with the Tech Museum to enable the replacement project.

The work contemplated under this agreement is a public work. The agreement will obligate the Tech to comply with all applicable prevailing wage laws, and with City bidding requirements and to obtain payment and performance bonds.

## **PUBLIC OUTREACH**

N/A

## **COORDINATION**

This report has been coordinated with the Tech Museum of Innovation, the City Manager's Office, General Services Department, Convention Arts & Entertainment, and the Agency's General Counsel.

## **CEQA**

Not a Project.

Honorable Mayor and City Council  
Grant Agreement with the Tech Museum of Innovation for the McCabe Hall HVAC Project  
June 9, 2004  
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JIM McBRIDE  
Acting Director  
Conventions, Arts and Entertainment

LARRY D. LISENBEE  
Budget Director

I hereby certify that there will be available for appropriation in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Capital Fund) in the Fiscal Year 2003-2004 moneys in excess of those heretofore appropriated therefrom, said excess being at least \$300,000.

LARRY D. LISENBEE  
Budget Director